

TRIBAL STATE COMPACT

Among the

IOWA TRIBE OF KANSAS AND NEBRASKA

and the

STATE OF KANSAS

_____, 1995

TABLE OF CONTENTS

Section 1:	Title of Compact	2
Section 2:	Policy and Purpose	2
	(A) Tribal Interests in Class III Gaming	2
	(B) State Interests in Class III Gaming	3
	(C) Tribal Benefits	3
	(D) Law Applicable to Class III Gaming	3
	(E) Application of Compact	4
	(F) Disclaimer	4
Section 3:	Authorized Class III Gaming	4
	(A) Authorized Games	4
	(B) Prohibited Games	5
	(C) Prohibition of Gaming By Persons Under the Age of Twenty One	6
	(D) Tort Remedies for Patrons	6
	(E) Liability for Damage to Persons and Property	7
	(F) Gaming Locations	7
	(G) Gaming on Credit	8
Section 4:	Definitions Incorporated by Reference	8
Section 5:	Definitions	8
	(A) Class III Gaming	8
	(B) Club Keno	8
	(C) Compact	8
	(D) Council	8
	(E) Effective Date	9
	(F) Game, Gaming Activity	9
	(G) Gaming Employee	9
	(H) Gaming Facility	10
	(I) Gaming Operation	10
	(J) Gaming Services	10
	(K) Indian	10
	(L) Indian Gaming Commission	11
	(M) Indian Gaming Regulatory Act or IGRA	11
	(N) Key Employee	11
	(O) Lottery	11
	(P) Manufacturer-Distributor	12

(Q)	Management Contract	12
(R)	Management Contractor	12
(S)	Participate	12
(T)	Person	13
(U)	Primary Management Official	13
(V)	Principal	13
(W)	Reservation	14
(X)	Revoke	14
(Y)	Secretary	14
(Z)	Standard Gaming Employee	14
(AA)	State	14
(AB)	State Gaming Agency	14
(AC)	Tribal Gaming Commission	14
(AD)	Tribal Gaming Regulations	15
(AE)	Tribal Land	15
(AF)	Tribal Law	15
(AG)	Tribal Law Enforcement Agency	15
(AH)	Tribe	15
Section 6:	Persons Bound	16
(A)	State	16
(B)	Tribe	16
Section 7:	Tribal Gaming Regulations	16
(A)	Adoption of Tribal Gaming Regulations . .	16
(B)	Additional Operational Requirements Applicable to Class III Gaming	18
Section 8:	Retention of Rights	22
Section 9:	Duration	23
Section 10:	Tribal Regulation of Class III Gaming	24
(A)	Tribal Gaming Commission	24
(B)	Tribal Gaming Inspectors	24
(1)	Employment of Inspectors	24
(2)	Reporting of Violations	25
(3)	Investigation by Tribal Gaming Commission	25
(4)	Reporting to State Gaming Agency . .	26
(C)	Tribe to Regulate Gaming	26
(D)	Facility Security	27
Section 11:	Tribal-State Quarterly Meetings	27

Section 12:	State Enforcement of Compact	28
	(A) Monitoring	28
	(B) Access to Records	28
	(C) Notification to Tribal Gaming Commission	29
Section 13:	Criminal Enforcement	30
	(A) Indians	30
	(B) Non-Indian	30
	(C) Federal Jurisdiction	30
Section 14:	Civil Enforcement	30
	(A) Tribal Civil Jurisdiction	30
	(B) No Waiver of Sovereign Immunity	31
Section 15:	Cross-Deputization Agreement	31
Section 16:	Licensing and Background Investigation of Gaming Employees	31
	(A) License Required of Gaming Employees	31
	(B) Background Investigation of Key Employees and Standard Gaming Employees	31
	(C) Background Investigation Standards	33
	(D) Investigation of Non Gaming Employees	33
Section 17:	Licensing of Management Contractors, Primary Management Officials and Manufacturer/Distributors	34
Section 18:	Relevant Information	35
Section 19:	Identification Cards	38
Section 20:	Management Contract	38
Section 21:	Denial of License Application for Cause	39
Section 22:	Revocation or Suspension of License for Cause	41
Section 23:	Accounting and Audit Procedures	43
Section 24:	Tribal Records	44

Section 25:	State Assessment for Costs of Oversight . . .	45
	(A) Imposition of Assessment for State Regulatory Expenditures	45
	(B) Procedure for Assessments	45
	(C) Procedure for Appeal of Assessments . . .	46
	(D) Adjustment of Excess Assessments	46
	(E) Adjustment for Termination of Regulatory Oversight	47
Section 26:	Public Health and Safety	47
	(A) Compliance	47
	(B) Emergency Service Accessibility	48
	(C) Alcoholic and Cereal Malt Beverages . . .	48
	(D) Unemployment Compensation; Workers Compensation	48
	(E) Consultation With Local Authorities . . .	48
Section 27:	Contribution to Local Government	48
	<p>Upon mutual consultation and agreement between the Tribe and the state and local governments, the Tribe agrees that certain related costs of the operation of the Class III gaming facility may be paid for from the operating revenues of this facility. Such costs shall be limited to the cost of increased police patrol and necessary road improvements.</p>	
Section 28:	Use of Net Revenues	49
Section 29:	Tribal Authority in the Event that the State Declines to Exercise Jurisdiction	49
	(A) Default Authority of Tribal Gaming Commission	49
	(B) Default Authority of Tribal Law Enforcement Agency	50
Section 30:	Notices	50
Section 31:	Dispute Resolution	51
	(A) General	51
	(B) Arbitration	52
	(C) Enforcement	53

(D)	Expenses of Dispute Resolution or Judicial Enforcement Between the Tribe and the State	53
(E)	Limited Waiver of Sovereign Immunity By the Tribe and Rights to Tribal Remedies .	54
	(1) Limitation of Claims	54
	(2) Time Period	54
	(3) Recipient of Waiver	55
	(4) Federal Question.	55
	(5) Applicable Law	55
	(6) Service of Process	55
	(7) Enforcement	55
(F)	Property and Funds Pledged and Assigned By the Tribe to Satisfy Enforcement Proceedings; Limitation Upon Enforcement	56
	(1) Property and Funds Pledged and Assigned	56
	(2) Limitation Upon Enforcement Against the Tribe	57
(G)	Guarantee of Tribe Not To Revoke Waiver of Sovereign Immunity	57
(H)	Credit of the Tribe	58
(I)	Waiver of Sovereign Immunity By the State	58
Section 32:	Reservation of Rights under the Indian Gaming Regulatory Act	58
	(A) Tribal Right to Additional Compacts . . .	58
	(B) Status of Class II Gaming	58
	(C) Taxation by the State	59
	(D) Preservation of Tribal Self-Government .	59
Section 33:	Entire Agreement	60
Section 34:	No Assignment	60
Section 35:	Amendment	60
Section 36:	Singular and Plural	61
Section 37:	Date of Laws Adopted Herein	61
Section 38:	Consistency With State Statutes	61
Section 39:	Severability	61
Section 40:	Authority to Execute	62

GAMING COMPACT
BETWEEN THE
IOWA TRIBE OF KANSAS AND NEBRASKA,
AND THE
STATE OF KANSAS

This Compact is made and entered into by and between the Iowa Tribe of Kansas and Nebraska (hereinafter referred to as the "Tribe") and the State of Kansas (hereinafter referred to as the "State"), pursuant to the provisions of the Indian Gaming Regulatory Act (hereinafter referred to as the "IGRA"), Public Law 100-497, 102 Stat. 2426, 25 U.S.C. §§ 2701, et seq. (1988).

Recitals:

The Tribe is a federally recognized Indian Tribe, organized pursuant to its Constitution and By-laws, approved by the Secretary of the Interior and situated on its permanent reservation located within the boundaries of Kansas.

The State, through constitutional provisions and legislative acts, has authorized limited gaming activities, and the Congress of the United States, through the Indian Gaming Regulatory Act, has authorized the Tribe to operate Class III gaming that is permitted in the State pursuant to a tribal gaming ordinance approved by the Chairman of the National Indian Gaming Commission and a compact entered into with the State for that purpose. Pursuant to its inherent sovereign authority and the IGRA, the Tribe intends to operate Class III gaming and the Tribe and State desire to negotiate a compact under the provisions of the IGRA to authorize and provide for the regulation of such gaming. In doing so, the parties acknowledge the following policies, duties and rights of

the State: to protect its residents against organized and other crime; to protect its ability to promote economic development; and to raise revenues to carry out its governmental functions.

NOW THEREFORE, in consideration of the covenants and agreements of the parties hereinbelow, the Tribe and the State agree as follows:

Section 1: Title of Compact.

This Compact shall be referred to as the "Iowa Tribe of Kansas and Nebraska - Kansas Gaming Compact."

Section 2: Policy and Purpose.

(A) **Tribal Interests in Class III Gaming.** The Tribe's interests in Class III gaming include raising revenue to provide governmental services for the benefit of the tribal community and reservation residents, promoting public safety as well as law and order on the Reservation, realizing the objectives of economic self-sufficiency and tribal self-determination, and regulating the activities of all people within the Tribe's jurisdictional borders. Tribal programs to be funded by gaming revenues include education, health and human resources, housing development, road construction and maintenance, sewer and water projects, police, fire and judicial services, economic development and all other purposes authorized under the IGRA.

(B) State Interests in Class III Gaming. The State's interests in Class III gaming include the interplay of such gaming with the state's public policy, safety, law and other interests, as well as impacts on the state regulatory system, including its economic interest in raising revenue for its citizens. The economic benefits from tribal gaming include increased tourism and related economic development activities which would generally benefit all of northeastern Kansas and help foster mutual understanding and respect among Indians and non-Indians.

(C) Tribal Benefits. The Tribe and the State mutually recognize the Tribe's belief that gaming will provide positive economic benefits to the Tribe, and the Tribe and the State recognize the need to insure that the health, safety and welfare of the public and the integrity of the gaming industry throughout the State be protected. In the spirit of cooperation, the Tribe and the State hereby agree to carry out the terms of the IGRA regarding any Class III gaming conducted on Indian lands pursuant to this Compact.

(D) Law Applicable to Class III Gaming. The Tribal Gaming Ordinance, that shall be adopted in accordance with the IGRA (25 U.S.C. §2710), Tribal Gaming Regulations, this Compact and applicable State law, shall govern all gaming activities or operations authorized herein. The purpose of this Compact

is to provide for licensing and regulation of certain Class III gaming to benefit the Tribe economically while minimizing the possibility of corruption.

(E) **Application of Compact.** This Compact shall govern the licensing, regulation and operation of all Class III gaming conducted by the Tribe as authorized under this Compact.

(F) **Disclaimer.** The State, by and through the Governor, by the approval of this Compact is not waiving its right to withhold approval of any gaming activities on after acquired lands of the Tribe as provided in the "Indian Gaming Regulatory Act" (25 U.S.C. 2701 et seq.).

Section 3: Authorized Class III Gaming.

(A) **Authorized Games.** Subject to the terms and conditions of this Compact, the Tribe may conduct or operate any or all of the following Class III games:

- (1) Blackjack;
- (2) Poker;
- (3) All other banking and non-banking card games;
- (4) Craps;
- (5) All other banking and non-banking dice games;
- (6) Roulette;
- (7) Baccarat-chemin de fer;
- (8) Wheel of Fortune;

- (9) Keno;
- (10) Games of chance utilizing electronic gaming equipment comparable to that authorized for the Kansas Lottery (Kan.State. 74-8702 and 8710); and
- (11) All other Class III games of chance authorized by the State in a compact with any Indian tribe.

[INTENTIONALLY LEFT BLANK]

(B) Prohibited Games.

(1) The Tribe may not conduct pari-mutuel wagering, off-track betting, sports betting, club keno or state-wide lottery gaming.

(2) The Tribe may not conduct any other Class III gaming not expressly enumerated in Subsection 3 (A), without amendment of this Compact pursuant to Section 35 of this Compact; provided, however, if the State of Kansas subsequently permits, or is judicially determined to permit any additional game not included in Section 3 A, nor specifically excluded in Section 3 B (1), for any purpose by any person, such game(s) shall automatically be included in the games authorized in Subsection 3 (A);

any entity or entities permitted by the State to engage in or facilitate such gaming shall be authorized to enter into agreements with the Tribe concerning such gaming.

(C) **Prohibition of Gaming By Persons Under the Age of Twenty One.** Any person under 21 years of age shall be prohibited from placing any wager, directly or indirectly, in any gaming activity under this Compact.

(D) **Tort Remedies for Patrons.** Tort claims arising from alleged injuries to patrons of the Tribe's gaming facilities shall be subject to disposition as if the Tribe were the State, pursuant to the Kansas Tort Claims Act, K.S.A. 75-6101, et seq., as amended hereafter, which is hereby adopted by the Tribe in its entirety for this specific purpose only, provided that such Act shall not govern the Tribe's purchase of insurance and provided, further, that portions of the Act inconsistent with the provisions of the IGRA and tribal law shall not apply. However, the Tribe shall not be deemed to have waived its sovereign immunity from suit with respect to such claims by virtue of adoption of the Kansas Tort Claims Act or by any other provision of this Compact except to the extent that such sovereign immunity is specifically waived in any liability insurance policies provided by the Tribe pursuant to Subsection 3(E).

(E) Liability for Damage to Persons and Property.

During the term of this Compact, the Tribe shall maintain public liability insurance with limits of not less than \$500,000 for any one person and \$2,000,000 for any one occurrence for personal injury, and \$1,000,000 for any one occurrence for property damage. The Tribe's insurance policy shall include an endorsement providing that the insurer may not invoke tribal sovereign immunity up to the limits of the policy set forth above. The Tribe shall indemnify, defend and hold harmless the State, its officers, directors, employees and agents from and against any claims, damages, losses or expenses asserted against or suffered or incurred by the State or its officers, directors, employees and agents (except as may be the result of their own negligence) based upon or arising out of any bodily injury or property damage resulting or claimed to result in whole or in part from any act or omission of the Tribe relating to the inspection of any gaming-related facilities, or any rectification thereof, pursuant to this Compact or applicable tribal law regarding public health, safety and welfare.

(F) Gaming Locations. All Class III gaming authorized under this Compact shall be conducted at a facility to be established by the Tribe on its Reservation.

(G) **Gaming on Credit.** Gaming on credit shall be limited to checks, wire transfers, bank credit cards and bank money machine cards.

Section 4: Definitions Incorporated by Reference.

The Tribe and the State agree that this Compact shall be made subject to all definitions contained in the IGRA and all regulations promulgated by the National Indian Gaming Commission pertaining to Class III gaming.

Section 5: Definitions.

For the purposes of this Compact, each of the following terms shall have the following meaning unless a different meaning clearly appears from the context:

(A) **Class III Gaming.** "Class III Gaming" means all forms of gaming that are not Class I or Class II gaming as defined in the IGRA.

(B) **Club Keno.** "Club Keno" means the on-line lotto game conducted by the Kansas Lottery pursuant to state law.

(C) **Compact.** "Compact" means the Iowa Tribe of Kansas and Nebraska - Kansas Gaming Compact.

(D) **Council.** "Council" or "Tribal Council" means the Executive Committee or other governing body of the Tribe with jurisdiction to oversee and regulate all gaming on behalf of the Tribe pursuant to this Compact, and to compact with the State for any Class III gaming.

(E) Effective Date. "Effective Date" means the date on which this Compact has been executed by the Tribe and the State, approved by the Secretary of the Interior, and notice of such approval has been published by the Secretary in the Federal Register pursuant to the IGRA.

(F) Game, Gaming Activity. "Game" or Gaming Activity" means any activity, operation or game of chance in which any valuable consideration may be wagered upon the outcome determined by chance, skill and in which any valuable prize is awarded to the player so wagering, and any activity in furtherance thereof, including owning, financing, managing, participating in, conducting or assisting in any way in any such activity at the site at which it is being conducted, directly or indirectly, whether at the site in person or off tribal land.

(G) Gaming Employee. "Gaming Employee" means any natural person 18 years or older employed in the operation or management of each gaming activity or operation, whether employed by or contracted to the Tribe or by any person or enterprise providing on or off-site services to the Tribe within or without the gaming facility regarding any gaming activity or operation, including, but not limited to, gaming operation managers and assistant managers; accounting personnel; surveillance personnel; cashier supervisors;

dealers or croupiers; box men; floormen; pit bosses; shift bosses; cage personnel; collection personnel; gaming consultants, management companies and their principals; and any other natural person whose employment duties require or authorize access to restricted areas of each gaming activity or operation not otherwise opened to the public.

(H) **Gaming Facility.** "Gaming Facility" means any building, room or rooms in which Class III gaming as authorized by this Compact is conducted.

(I) **Gaming Operation.** "Gaming Operation" means any enterprise owned by the Tribe on its Reservation located within the boundaries of Kansas for the conduct of Class III gaming in a gaming facility.

(J) **Gaming Services.** "Gaming Services" means any goods or services to the Tribe directly in connection with each Class III gaming activity or operation in a gaming facility, including but not limited to equipment, maintenance or security services for such gaming facility and concessions.

(K) **Indian.** "Indian" means any person who is of Indian descent who is an enrolled member of any recognized Indian Tribe under federal jurisdiction at the time of the event under consideration.

(L) Indian Gaming Commission. "Indian Gaming Commission" means the National Indian Gaming Commission established pursuant to the IGRA.

(M) Indian Gaming Regulatory Act or IGRA. "Indian Gaming Regulatory Act" or "IGRA" means the Indian Gaming Regulatory Act, 102 Stat. 2467, 25 U.S.C. § 2701, et seq.

(N) Key Employee. "Key Employee" means any natural person employed in the operation or management of each gaming activity or operation in the capacity of (i) counting room supervisor, (ii) chief of security; (iii) custodian of gaming supplies or cash; (iv) floor manager; (v) pit boss; (vi) dealer; (vii) croupier; (viii) approver of credit; (ix) custodian of gambling devices including persons with access to cash and accounting records within such devices; (x) any other person whose total cash compensation is in excess of \$50,000 per year; (xi) the four most highly compensated persons in the gaming operation; and (xii) security department employees.

(O) Lottery. "Lottery" means that game in which the player picks a sequence of integers of a required size, e.g. six integers, from a larger set of integers numbered consecutively, beginning with the number one, e.g. the integers from one through forty-four, from which the set of integers is drawn at random by the lottery operator, and wins a small prize if he has picked three of the selected set, a

larger prize if he has picked four of the selected set, a larger prize if he has picked five of the selected set, and the largest prize if he has picked all of the selected set. Lottery shall not include any of the Class III games authorized in Subsection 3(A), or any Class I or II gaming as defined in IGRA.

(P) Manufacturer-Distributor. "Manufacturer-Distributor" means any individual, sole proprietorship, partnership or corporation which assembles, produces, makes, prints, or supplies Class III gaming equipment or supplies for sale, lease, use, or distribution to the Tribe or a licensed gaming operator for a Class III gaming activity conducted pursuant to this Compact.

(Q) Management Contract. "Management Contract" means a management contract within the meaning of IGRA.

(R) Management Contractor. "Management Contractor" means any individual, sole proprietorship, partnership, corporation or other entity which manages any Class III gaming activity or operation on behalf of the Tribe pursuant to a management contract approved by the Chairman of the Indian Gaming Commission.

(S) Participate. "Participate" in any gaming activity or operation means manage, operate, direct, own, finance, furnish, supply or in any way assist in the establishment of,

or operation of, any class III gaming activity or operation, directly or indirectly, whether at the site in person or off tribal land.

(T) **Person.** "Person" means any individual, partnership, joint venture, corporation, joint stock company, company, firm, association, trust, estate, club, business trust, municipal corporation, society, receiver, assignee, trustee in bankruptcy, governmental entity, and any owner, director, officer or employee of any such entity, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise.

(U) **Primary Management Official.** "Primary Management Official" means (i) with respect to any management contractor, the person having management responsibility for a management contract; (ii) any person who has authority to hire and fire employees or to set up working policy for the gaming operation; or (iii) the chief financial officer or other person who has financial management responsibility.

(V) **Principal.** "Principal" means with respect to any management contractor: (i) each of its officers and directors; (ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; (iii) each of its owners or partners, if it is an unincorporated business; (iv)

each of its shareholders who owns more than five percent of the shares of the corporation, if a corporation; and (v) each person other than a banking institution who has provided financing for the enterprise constituting more than ten percent of the total financing of the enterprise.

(W) Reservation. "Reservation" means that portion of the Iowa Tribe of Kansas and Nebraska Reservation located within the boundaries of Kansas as shown in Appendix D.

(X) Revoke. "Revoke" means to permanently void and recall all rights and privileges to obtain or hold a license.

(Y) Secretary. "Secretary" means the Secretary of the Interior or the Secretary's duly authorized representative.

(Z) Standard Gaming Employee. "Standard Gaming Employee" means any natural person employed in the operation or management of each gaming activity or operation as a gaming employee who is not a primary management official or key employee.

(AA) State. "State" means the State of Kansas.

(AB) State Gaming Agency. "State Gaming Agency" means such agency of the State as the State may designate as the state agency responsible for oversight of Class III gaming conducted pursuant to this Compact.

(AC) Tribal Gaming Commission. "Tribal Gaming Commission" means the Tribal Gaming Commission established by

the Tribe as the agency primarily responsible for regulatory oversight of Class III gaming conducted by the Tribe.

(AD) Tribal Gaming Regulations. "Tribal Gaming Regulations" means those regulations adopted by the Tribe to regulate Class III gaming conducted pursuant to this Compact, as provided in Section 7 and attached hereto as Appendices A and B.

(AE) Tribal Land. "Tribal Land" means Indian land as defined in the IGRA.

(AF) Tribal Law. "Tribal Law" means the Tribal Gaming Ordinance, Tribal Gaming Regulations, as amended hereafter and this Compact, as amended hereafter.

(AG) Tribal Law Enforcement Agency. "Tribal Law Enforcement Agency" means the police force of the Tribe established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement. Members of the Tribal Law Enforcement Agency shall attend the Kansas Law Enforcement Training Center, the Highway Patrol Training Center or receive comparable training approved by the State Gaming Agency or the federal government.

(AH) Tribe. "Tribe" means the Iowa Tribe of Kansas and Nebraska.

Section 6: Persons Bound.

(A) **State.** Where the name the "State" is used in this Compact as a part thereof, such name shall be construed to include all the individuals, corporations, partnerships, enterprises, associations, districts, administrative departments, bureaus, political subdivisions, agencies, persons, permittees, and all others using, claiming or in any manner asserting any right or power under the authority of the State.

(B) **Tribe.** Where the name the "Tribe" is used in this Compact as a part thereof, such name shall be construed to include all the individuals, corporations, partnerships, enterprises, associations, districts, administrative departments, bureaus, political subdivisions, agencies, persons, permittees, and all others using, claiming or in any manner asserting any right or power under the authority of the Tribe.

Section 7: Tribal Gaming Regulations.

(A) **Adoption of Tribal Gaming Regulations.**

(1) The Tribal Gaming Commission shall adopt regulations to govern the operation and management of each gaming activity or operation conducted pursuant to this Compact. The regulations shall ensure that the interests of the Tribe and the State relating to Class

III gaming are preserved and protected. The regulations shall maintain the integrity of such gaming activity or operation and shall reduce the dangers of unfair and illegal practices in the conduct of Class III gaming.

(2) The initial regulations to govern the operation and management of each tribal gaming activity or operation shall be the standards set forth in Appendix A. The Tribal Gaming Commission shall advise the State Gaming Agency of any intent to revise the standards set forth in Appendix A and shall request the concurrence of the State Gaming Agency of such revisions. State Gaming Agency concurrence shall be deemed granted unless written disagreement within 60 days of submission of the proposed revisions is delivered to the Tribal Gaming Commission. The State Gaming Agency shall concur with the proposed revisions upon request, unless it finds that they would have a material adverse impact on the public interest in the integrity of each gaming activity or operation or are contrary to the IGRA, applicable state law, or the provisions of this Compact. If the State Gaming Agency disagrees with any such proposed revision, it shall set forth with specificity the reasons for such disagreement. Upon a notice of disagreement, the parties shall meet, and in good faith try to resolve the differences. If they

are unsuccessful, the matter shall be resolved pursuant to Section 31.

(B) Additional Operational Requirements Applicable to Class III Gaming. The following additional requirements shall apply to each gaming activity or operation conducted by the Tribe:

(1) The Tribe shall maintain the following logs as written or computerized records which shall be available for inspection by the State gaming agency in accordance with Subsection 12(B) of this Compact: a surveillance log recording all surveillance activities in each monitoring room of the gaming facility; a security log recording all unusual occurrences for which the assignment of a security department employee is made; a cashier's cage log recording all exchanges of gaming chips for cash by persons who cannot reasonably be thought to have been gaming; a machine entry log recording all occasions on which electronic gaming equipment is opened by any mechanic or attendant, except to the extent that such entries may be automatically recorded by a computer system activated by each entry; and a machine location log, recording the location and each movement of any electronic gaming equipment within the gaming facility.

(2) The Tribal Gaming Commission shall establish a list of persons barred from the gaming facility because their criminal history or association with career offenders or career offender organizations poses a threat to the integrity of gaming activities of the Tribe. The Tribal Gaming Commission shall employ its best efforts to exclude persons on such list from entry into such gaming facility. The Tribal Gaming Commission shall send a copy of its list on a weekly basis to the State Gaming Agency. The Tribe shall also exclude persons engaging in disorderly conduct or other conduct jeopardizing public safety in the gaming facility.

(3) The Tribal Gaming Commission shall notify the State Gaming Agency of the rules of each game operated by the Tribe and of any proposed change in such rules. The initial rules shall be the Gaming Rules set forth in Appendix B. The Tribal Gaming Commission shall notify the State Gaming Agency of any intent to revise the Gaming Rules set forth in Appendix B and shall request the concurrence of the State Gaming Agency of such revisions. State Gaming Agency concurrence shall be deemed granted unless written disagreement within 60 days of submission of the proposed revisions is delivered to the Tribal Gaming Commission. The State Gaming Agency shall concur

with the proposed revisions upon request, unless it finds that they would have a material adverse impact on the public interest in the integrity of Class III gaming or are contrary to the IGRA, applicable state law, or the provisions of this Compact. If the State Gaming Agency disagrees with any such proposed revision, it shall set forth with specificity the reasons for such disagreement. Upon a notice of disagreement, the parties shall meet, and in good faith try to resolve the differences. If they are unsuccessful, the matter shall be resolved pursuant to Section 31.

(4) Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed or available in pamphlet form in each gaming location. Betting limits applicable to each gaming table shall be displayed at such gaming table.

(5) For each tribal gaming activity or operation there shall be provided to the Tribal Gaming Commission and the State Gaming Agency a description of its minimum requirements for supervisory staffing for each gaming table operated in the gaming facility, and in the event that either the Tribal Gaming Commission or the State Gaming Agency regards such supervisory staffing as inadequate to protect the integrity of the table games,

the Tribal Gaming Commission and State Gaming Agency shall promptly in good faith agree on supervisory staffing requirements. If agreement cannot be reached between the Tribal Gaming Commission and the State Gaming Agency, the matter shall be resolved pursuant to Section 31.

(6) The Tribal Gaming Commission shall require the audit of the gaming activities of the Tribe, not less than annually, by an independent certified public accountant, in accordance with the auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants, and the provisions of section 23.

(7) The Tribe shall maintain a record of all complimentary services provided to patrons of its gaming facilities, including either the full retail price of such service or item if the same service or items is normally offered for sale to patrons in the ordinary course of business at the gaming facility, or the cost of the service or items to the Tribe if not offered for sale to patrons in the ordinary course of business. If the complimentary service or item is provided to a patron by a third party on behalf of the Tribe, such service or item shall be recorded at the actual cost to the Tribe of

having the third party provide such service or item. A log recording of all such complimentary services shall be available for inspection by the State gaming agency in accordance with this Compact.

(8) No person shall be permitted to bring firearms of any kind into the gaming facility except for members of any State or federal law enforcement agency and the Tribal law enforcement agency.

(9) The Tribal Gaming Operation shall maintain a closed circuit television system. The Tribal Gaming Operation shall provide the State Gaming Agency with copies of its floor plan and closed circuit television system and any modifications thereof for review by the State Gaming Agency.

Section 8: Retention of Rights.

Nothing in this Compact shall be construed:

(A) To affect any rights, powers, duties or abilities of the Tribe or those acting by or under their authority, in, over and to Tribal Land; nor to impair or affect the capacity of the Tribe or those acting by or under their authority to govern their internal economic affairs and the rights and obligations of its citizens except as specifically provided in this Compact;

(B) To subject any property of the Tribe, its agencies or instrumentalities to taxation by the State or political subdivisions thereof, nor to create any tax obligation on the part of the Tribe, its agencies or instrumentalities, by reason of the acquisition, construction, operation of any property or works of whatsoever kind, or to make any payments to the State or political subdivision thereof, State agency, municipality, or entity whatsoever in reimbursement for or charge for loss of taxes, or to create any tax immunities;

(C) To subject any property of the Tribe, its agencies or instrumentalities, to the laws of the State to any other extent than the extent that such laws apply pursuant to the terms of this Compact or under the IGRA.

Section 9: Duration.

This Compact shall remain in full force and effect until one of the following events shall occur:

(A) This Compact is terminated by mutual consent of the parties;

(B) This Compact is determined to be invalid pursuant to a final, nonappealable judgment by a court of competent jurisdiction; or

(C) The Tribe duly adopts a resolution revoking tribal authority to conduct Class III gaming upon the Reservation as provided for in the IGRA.

Section 10: Tribal Regulation of Class III Gaming.

(A) **Tribal Gaming Commission.** The Tribal Gaming Commission, appointed pursuant to the Tribal Gaming Ordinance, shall have primary responsibility for enforcing Tribal Law with respect to each tribal gaming activity or operation conducted on tribal land pursuant to this Compact, including regulation of any management contractors, manufacturer/distributors and all gaming employees. The Tribal Gaming Commission shall also receive consumer complaints within the gaming facilities and shall assist in seeking voluntary resolution of such complaints.

The Tribal Gaming Commission shall have unfettered access to all areas of the gaming facility at all times, and personnel employed by the Tribal Gaming Operation shall for such purposes provide the Tribal Gaming Commission access to locked and secured areas of the gaming facility.

(B) **Tribal Gaming Inspectors.**

(1) **Employment of Inspectors.** The Tribal Gaming Commission shall employ inspectors, each of whom shall be independent of each tribal gaming activity or operation and shall be supervised and accountable only to the Tribal Gaming Commission. Inspectors employed by the Tribal Gaming Commission shall be required to obtain a key gaming employee's license pursuant to this Compact.

(2) **Reporting of Violations.** At least one (1) tribal gaming inspector shall be present in the gaming facility during all hours of gaming operation, and shall have immediate access to any and all areas of each gaming activity or operation for the purpose of ensuring compliance with this Compact and applicable law. The tribal gaming inspector shall report any violation of this Compact or of applicable law by any person, whether or not such person is associated with any tribal gaming activity or operation, to the Tribal Gaming Commission, which shall forward such report to the State Gaming Agency within 72 hours after such violation is discovered.

(3) **Investigation by Tribal Gaming Commission.** The Tribal Gaming Commission shall investigate any reported violation of this Compact and shall require that any such violation be corrected upon such terms and conditions as the Tribal Gaming Commission determines to be necessary. If requested by the Tribal Gaming Commission, the State Gaming Agency shall assist in any investigation initiated by the Tribal Gaming Commission and shall provide other requested services to insure proper compliance with this Compact and applicable law. The Tribal Gaming Commission shall impose such fines and other sanctions provided in

the Tribal Gaming Ordinance as the Tribal Gaming Commission determines to be necessary.

(4) **Reporting to State Gaming Agency.** The Tribal Gaming Commission shall report any suspected violation of this Compact and applicable law to the State Gaming Agency and the State Gaming Agency shall report any suspected violation of this Compact and applicable law to the Tribal Gaming Commission. After the Tribal Gaming Commission has completed its investigation and imposition of any fine or other sanction for a violation, the completed investigation report and such disposition shall be forwarded to the State Gaming Agency immediately. If the State Gaming Agency concludes that the disciplinary action undertaken by the Tribal Gaming Commission is inadequate, it shall so notify the Tribal Gaming Commission and if its response continues to be unsatisfactory the matter shall be resolved pursuant to Section 31.

(C) **Tribe to Regulate Gaming.** The Tribal Gaming Commission shall license and regulate all Class III gaming pursuant to this Compact and tribal law, including but not limited to, the licensing of all management contractors, primary management officials, key employees and standard gaming employees of each Class III gaming activity or

operation and any manufacturer/distributor which enters into a contract with the Tribe in the amount of \$10,000 or more during any one calendar year. Any discrepancy in any gaming activity or operation and any violation of this Compact or applicable law shall be corrected immediately by the Tribe, and shall be reported immediately to the State Gaming Agency.

(D) **Facility Security.** The Tribe will prepare a plan for the protection of public safety as well as for the physical security of patrons at the gaming facility. This plan shall be developed in consultation and agreement with the State law enforcement agencies, setting forth the respective responsibilities of the Tribal law enforcement agency, the security department reporting to the facility manager and any Tribal casino surveillance department, Tribal Gaming Commission and the State law enforcement agencies.

Section 11: Tribal-State Quarterly Meetings.

In order to develop and foster a positive and effective relationship in the enforcement of this Compact, representatives of the Tribal Gaming Commission and the State Gaming Agency shall meet, on not less than a quarterly basis, to review past practices and examine methods to improve the regulatory program created by this Compact. Meetings shall take place at a location ultimately selected by the Tribal Gaming Commission and the State Gaming Agency. Prior to or during any such meeting, the Tribal Gaming

Commission and the State Gaming Agency shall disclose to each other any concerns, suspected activities or pending matters reasonably believed to constitute violations of this Compact, provided that such disclosure does not compromise the interest sought to be protected.

Section 12: State Enforcement of Compact.

(A) **Monitoring.** Pursuant to this Compact, the State Gaming Agency and the Kansas Bureau of Investigation shall have the authority to monitor each tribal gaming activity or operation to ensure that the activity or operation is conducted in compliance with this Compact. In order to monitor tribal gaming activities and operations properly, agents of the State Gaming Agency and the Kansas Bureau of Investigation shall, upon providing proper identification, have free and unrestricted access to all areas of the gaming facility during normal operating hours without giving prior notice, provided, that state monitoring activities shall not interfere with the normal functioning of any tribal gaming activity or operation.

(B) **Access to Records.** Agents of the State Gaming Agency and the Kansas Bureau of Investigation shall have authority to copy and review all records maintained by each tribal gaming activity or operation during normal business hours, provided, that copying and reviewing records shall be reasonably conducted so as not to interrupt normal business

practices of the Tribe. Copies of records obtained pursuant to this Subsection by agents of the State Gaming Agency shall remain the property of the Tribe and shall be considered closed information pursuant to K.S.A. 1992 Supp. 45-221(11) and tribal law. Copies of records obtained pursuant to this Subsection by agents of the Kansas Bureau of Investigation shall remain the property of the Tribe and shall be considered closed information pursuant to K.S.A. 1992 Supp. 45-221(10) and tribal law. Copies of all records obtained pursuant to this Subsection shall not be voluntarily disclosed pursuant to the Kansas Open Records Act, K.S.A 45-216, et seq. In the event that a court action is initiated pursuant to K.S.A. 1992 Supp. 45-222, the Tribe shall be notified and given an opportunity to oppose disclosure. It is agreed by the parties that the records maintained by each tribal gaming activity or operation contain confidential and proprietary financial information and that the intent of this Subsection is to provide information needed by the State to fulfill its obligations under this Compact and state law. Release of such information to private persons or businesses does not promote that intent and violates the privacy of the Tribe.

(C) Notification to Tribal Gaming Commission. At the completion of any inspection or investigation by the State Gaming Agency, a copy of the inspection or investigation

report shall be forwarded to the Tribal Gaming Commission along with recommendations for appropriate action, provided, that the State Gaming Agency and the Kansas Bureau of Investigation shall not be required to reveal sources of information obtained in the course of any such inspection or investigation.

Section 13: Criminal Enforcement.

(A) **Indians.** Pursuant to 18 U.S.C. § 1166, in enforcing this Compact, the State shall exercise criminal jurisdiction over Indians, provided, that nothing in this Compact shall be construed to diminish the criminal jurisdiction of the State under 18 U.S.C. § 3243 or the concurrent criminal jurisdiction of the Tribe.

(B) **Non-Indian.** In enforcing the terms and provisions of this Compact the State shall exercise exclusive criminal jurisdiction over non-Indians in accordance with 18 U.S.C. § 1166 and 3243.

(C) **Federal Jurisdiction.** Nothing contained in this Compact shall deprive the federal courts of any jurisdiction which they might otherwise have.

Section 14: Civil Enforcement.

(A) **Tribal Civil Jurisdiction.** In enforcing this Compact with respect to all transactions or activities which

relate to Class III gaming on the Reservation, the Tribe shall exercise civil jurisdiction over Indians and non-Indians.

(B) **No Waiver of Sovereign Immunity.** Nothing in this section shall be deemed to be a waiver of the sovereign immunity of the Tribe or the State.

Section 15: Cross-Deputization Agreement.

To the extent permitted by law, the Tribe and the State agree to enter into such cross-deputization agreements as may be necessary and proper to facilitate cooperation between tribal and state law enforcement personnel.

Section 16: Licensing and Background Investigation of Gaming Employees.

(A) **License Required of Gaming Employees.** Every gaming employee and Tribal Gaming Inspector who participates in any Class III gaming pursuant to this Compact must be licensed by the Tribe.

(B) **Background Investigation of Key Employees and Standard Gaming Employees.** The Tribe, prior to hiring an applicant for a position as a key or standard gaming employee, shall obtain a release, utilizing the privacy notice required by regulations of the Indian Gaming Commission, and other information from the applicant to permit the State to conduct a background investigation upon the applicant. The application and release and, for a key employee, an investigation deposit

of \$3,000, shall be provided to the State Gaming Agency, which shall provide for the conduct of a background investigation and provide a written report to the Tribe regarding the applicant as soon as possible after such request but in any event within 90 days of receipt of such request, provided, that the State Gaming Agency and the Kansas Bureau of Investigation shall not be required to reveal sources of information obtained in the course of any such inspection or investigation; failure of the State Gaming Agency to do so shall constitute State assent to issuance of a temporary license pending completion of the investigation. The Tribe may employ any person as a gaming employee who represents in writing that he meets the licensing standards of Section 21, provided, that any employee found to be in violation of any of such licensing standards during the term of his employment shall be dismissed. Criminal history data compiled by the Kansas Bureau of Investigation on each such prospective employee shall, subject to applicable state and federal law, be provided to the Tribe as part of the report regarding such applicant and to the Chief, Division of Law Enforcement Service, Bureau of Indian Affairs who shall maintain a control file of this information, provided, that the State Gaming

Agency and the Kansas Bureau of Investigation shall not be required to reveal sources of information obtained in the course of any such background investigation.

(C) **Background Investigation Standards.** Background investigations conducted pursuant to this Section shall be conducted pursuant to the Background Investigation Standards attached hereto as Appendix C. Notwithstanding and in addition to any other provision of the Compact, background investigations shall be conducted upon every person and entity specified in, and to the extent required by, the regulations of the Indian Gaming Commission.

(D) **Investigation of Non Gaming Employees.** The Tribal Gaming Commission may investigate suspected misconduct of employees of the gaming facility who are not gaming employees but who are employed in ancillary facilities located within the same building as the gaming facility. If the Tribal Gaming Commission determines that the conduct of any employee in the course of employee's employment in such ancillary facilities poses a threat to the effective regulation of gaming or creates or enhances the dangers of unfair or illegal practices, methods and activities in the conduct of gaming, such employee shall be dismissed by the Tribe from such employment with notification to the State Gaming Agency.

Section 17: Licensing of Management Contractors, Primary Management Officials and Manufacturer/Distributors.

(A) Tribal License Required. Every management contractor, and every primary management official thereof, which enters into a contract with the Tribe to manage any Class III gaming, and any manufacturer/distributor which enters into a contract with the Tribe in the amount of \$10,000 or more during any one calendar year, must be licensed by the Tribe.

(B) Background Investigation Prior to Contract. The Tribe, prior to contracting with any management contractor with respect to any Class III gaming, or with any manufacturer/distributor for a contract in the amount of \$10,000 or more during any one calendar year, shall obtain releases, utilizing the privacy notice required by regulations of the Indian Gaming Commission, and all other information from any such prospective management contractor, primary management official and principal thereof or manufacturer/distributor to permit the State to conduct a background investigation upon any such management contractor, primary management official and principal, or manufacturer/distributor. The information, together with an investigation deposit of \$3,000, shall be provided in writing to the State Gaming Agency which shall provide for the conduct

of the background investigation and provide a written report to the Tribe regarding the applicant as soon as possible after such request, but in any event within 90 days of receipt of such request, provided, that the State Gaming Agency and the Kansas Bureau of Investigation shall not be required to reveal sources of information obtained in the course of any such background investigation; failure of the State Gaming Agency to do so shall constitute State assent to issuance of a temporary license pending completion of the investigation. The Tribe shall not contract with any management contractor, any primary management official or principal thereof or manufacturer/distributor which does not meet the licensing standards set forth in Section 21. Criminal history data compiled by the Kansas Bureau of Investigation on each such management contractor, primary management official and principal or manufacturer/distributor shall, subject to applicable state and federal law, be provided to the Tribe as part of the report regarding such applicant, provided, that the State Gaming Agency and the Kansas Bureau of Investigation shall not be required to reveal sources of information obtained in the course of any such background investigation.

Section 18: Relevant Information.

In the case of a background investigation of any applicant for a tribal license, a sworn statement of the applicant shall include:

(1) Full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender, all languages (spoken or written);

(2) Currently and for the previous 5 years: business and employment positions held, ownership interests in those businesses, business and residence addresses, and drivers license numbers;

(3) The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under Subsection (2);

(4) Current business and residence telephone numbers;

(5) A description of any existing and previous business relationships with Indian tribes, including ownership interests in those businesses;

(6) A description of any existing and previous business relationships with the gaming industry generally, including ownership interests in those businesses;

(7) The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;

(8) For each felony for which there is an ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date and disposition if any;

(9) For each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic violations) within 10 years of the date of the application, the name and address of the court involved and the date and disposition;

(10) For each criminal charge (including minor traffic charges) whether or not there is a conviction, if such criminal charge is within 10 years of the date of the application and is not otherwise listed pursuant to Subsection (8) or (9), the criminal charge, the name and address of the court involved and the date and disposition;

(11) The name and address of any licensing or regulatory agency with which the person has filed an application for an occupational license or permit whether or not such license or permit was granted;

(12) A photograph;

(13) The applicant's commitment to provide any other information the Tribe, the Indian Gaming Commission or, whenever applicable, the State, deems relevant;

(14) Fingerprints consistent with procedures adopted by the Tribe consistent with regulations of the Indian Gaming Commission; and

(15) All requested financial information consistent with IGRA requirements.

Section 19: Identification Cards.

The Tribal Gaming Commission shall require all gaming employees to wear, in plain view, identification cards issued by the Tribal Gaming Commission which include photo, first name and a four digit identification number unique to the individual, a tribal seal or signature, and a date of expiration.

Section 20: Management Contract.

The Tribe may enter into a management contract for the operation and management of each Class III gaming activity or operation pursuant to the requirements and provisions of the IGRA. The Tribe shall provide the Tribal Gaming Commission and the State Gaming Agency with copies of the proposed management contract as submitted to the Indian Gaming Commission, and all correspondence and other documentation submitted to the Indian Gaming Commission in connection with the management contract at the time such management contract is submitted to the Indian Gaming Commission, and shall provide the Tribal Gaming Commission and the State Gaming

Agency with copies of the statement of approval or disapproval of the management contract from the Chairman of the Indian Gaming Commission upon its receipt.

Section 21: Denial of License Application for Cause.

The Tribe shall deny a license to any applicant whenever the applicant or any person with a 5% or more ownership interest therein:

(A) Has withheld pertinent information or has made false statements on the gaming license application;

(B) Has attempted to bribe a Council member, Tribal Gaming Commission member or any other person in an attempt to avoid or circumvent tribal law or any other applicable law;

(C) Has offered something of value or accepted a loan, financing or other thing of value from a Tribal Gaming Commission member, a subordinate employee or any person participating in any gaming activity;

(D) Has knowingly promoted, played or participated in any gaming activity operated in violation of tribal law;

(E) Has been knowingly involved in the falsification of books or records which relate to a transaction connected with the operation of gaming activity;

(F) Has been convicted of, or has entered a plea of nolo contendere to, any crime involving gaming or embezzlement;

(G) Has been determined by the Tribal Gaming Commission, the Indian Gaming Commission or the State Gaming Agency to have present or prior activities, criminal record, if any, or reputation, habits and associations which pose a threat to the public interest or to the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices in the conduct of gaming, provided, that any conviction more than five years before the commencement of employment of the Tribe shall not be considered under this Subsection.

(H) Has denied the Tribe or the State access to any place at which gaming required to be licensed under this Compact is being conducted or who has failed to produce for inspection or audit any book, record, document or other item required by this Compact or any regulations promulgated pursuant to this Compact;

(I) Has failed to pay any tribal taxes and additions to taxes, including penalties and interest;

(J) Has been found guilty of any violation or attempt or conspiracy to violate any law, rule or regulation pertaining to gaming in any jurisdiction for which suspension or termination of employment or a license might be imposed in such jurisdiction; or

(K) Has been suspended from operating any gaming in another jurisdiction or who has had a license to conduct such gaming canceled, revoked, suspended or limited for any reason.

If the Tribe declines to deny a license as required herein, the State may seek resolution of the matter pursuant to Section 31.

Section 22: Revocation or Suspension of License for Cause.

The Tribe shall revoke or suspend a license of any licensee whenever the licensee or any person with a five percent or more interest therein, in applying for or after issuance of such license:

(A) Has withheld pertinent information or has made false statements on the gaming license application;

(B) Has attempted to bribe a Council member, Tribal Gaming Commission member or any other person in an attempt to avoid or circumvent this tribal law or any other applicable law;

(C) Has offered something of value or provided a loan, financing or other thing of value to a Tribal Gaming Commission Member, a subordinate employee or any other person participating in any tribal gaming activity.

(D) Has knowingly promoted, played or participated in any gaming activity operated in violation of tribal law;

(E) Has been knowingly involved in the falsification of books or records which relate to a transaction connected with the operation of gaming activity;

(F) Has violated any provision of the applicable Tribal Gaming Ordinance;

(G) Has been convicted of, or has entered a plea of nolo contendere to, any crime involving gaming, or embezzlement;

(H) Has been determined by the Tribal Gaming Commission, the Indian Gaming Commission or the State Gaming Agency to have present or prior activities, criminal record, if any, or reputation, habits and associations which pose a threat to the public interest or to the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices in the conduct of gaming, provided, that any conviction more than five years before the commencement of employment of the Tribe shall not be considered under this Subsection.

(I) Has denied the Tribe or the State access to any place at which gaming required to be licensed under this Compact is being conducted or who has failed to produce for inspection or audit any book, record, document or other item required by this Compact or any regulations promulgated pursuant to this Compact;

(J) Has failed to pay any tribal taxes and additions to taxes, including penalties and interest; or

(K) Has been suspended from operating any gaming in another jurisdiction or who has had a license to conduct such gaming canceled, revoked, suspended or limited for any reason.

If the Tribe declines to revoke a license as required herein, the State may seek resolution of the matter pursuant to Section 31.

Section 23: Accounting and Audit Procedures.

As required by the IGRA, the Tribe shall engage an independent certified public accountant to audit the books and records of all gaming conducted pursuant to this Compact and shall make copies of the audit and all current internal accounting and audit procedures available to the State Gaming Agency upon written request. The Tribe shall permit representatives of the State Gaming Agency to consult with the auditors before or after any audits or periodic checks on procedures which may be conducted by the auditors, and shall allow the State Gaming Agency to submit written or oral comments or suggestions for improvements regarding the accounting and audit procedures. In addition to the annual audit required pursuant to the IGRA, the State shall have the right to conduct a separate annual audit at its own expense, provided that such audit shall be reasonably conducted so as not to interrupt normal business practices of the Tribe.

Section 24: Tribal Records.

In addition to the records required to be created/maintained by §7(B), the Tribe shall maintain for three years the following listed records. All accounting records shall be kept on a double entry system of accounting, maintaining detailed, supporting, subsidiary records. Records shall include:

(A) Revenues, expenses, assets, liabilities and equity for the facility at which any component of each gaming activity or operation is conducted;

(B) Daily cash transactions for each game at the facility at which any gaming activity or operation is conducted, including but not limited to transactions relating to each gaming table bank, game drop box and gaming room bank;

(C) Individual and statistical game records to reflect statistical drop, statistical win, statistical drop by table for each game, and individual and statistical game records reflecting similar information for all other games;

(D) For electronic gaming equipment, analytic reports which, by each machine, compare actual hold percentages to theoretical hold percentages;

(E) Records of all tribal enforcement activities;

(F) All audits prepared by or on behalf of the Tribe;

(G) All returned checks, hold checks or other similar credit instruments;

(H) Personnel information on all principals and gaming employees of any gaming activity or operation, including rotation sheets, hours worked, employee profiles and background checks.

Section 25: State Assessment for Costs of Oversight.

(A) **Imposition of Assessment for State Regulatory Expenditures.** The State shall annually make an assessment sufficient to compensate the State for the reasonable and necessary costs of regulating Class III gaming pursuant to this Compact. Reimbursable regulatory expenses under this Section shall include all necessary regulatory costs of the State Gaming Agency, the Kansas Bureau of Investigation, and the cost of tuition, room, board and all necessary instructional supplies and material for any tribal member attending the Law Enforcement Training Center, and the Highway Patrol Training Center as provided by statutes of the State.

(B) **Procedure for Assessments.** On or before August 1st, annually, the State shall render to the Tribe a verified, detailed statement of expenses with supporting documentation of the total cost of regulation for the preceding fiscal year ending June 30, together with proposed assessments for the forthcoming fiscal year based on the preceding fiscal year's cost, except that in the first year of this Compact the assessment shall be prospective and based upon a pro rata

allocation of costs if this Compact becomes operative in the course of a fiscal year, and shall be established after consultation with the Tribe. On September 1st annually, the State, after receiving any objections to the proposed assessments and making such changes or adjustments as may be indicated, shall assess the Tribe for the costs of regulation. The Tribe shall thereafter make a payment representing one-third of the assessment within a 20-day period, and shall make payments thereafter on January 1st and April 1st annually.

(C) **Procedure for Appeal of Assessments.** If the State or the Tribe is aggrieved because of any assessment levied pursuant to this Compact, it may, within 31 days from the time provided for the payment of such assessment, elect to resolve the matter pursuant to Section 31.

(D) **Adjustment of Excess Assessments.** In the event the arbitrators find that the total assessment paid by the Tribe during any fiscal year of the State is less than or exceeds the reasonable and necessary costs of regulating gaming operations pursuant to this Compact during such fiscal year, then the State shall adjust the assessment for the succeeding fiscal year in the amount necessary to offset such shortage or excess assessment. If the State or the Tribe is aggrieved because of any failure by the State to make such an adjustment

or the Tribe 's failure to pay the adjusted amount, any claim for such adjustment shall be presented in the appeal of the assessment as provided in Section 31.

(E) Adjustment for Termination of Regulatory Oversight.

If the State ends regulatory oversight during the course of a fiscal year in accordance with the terms of this Compact, then there shall be a pro rata adjustment to the assessment made by the State in accordance with Subsections 25(A) and 25(D).

Section 26: Public Health and Safety.

(A) Compliance. The construction, maintenance and operation of the tribal gaming facility shall comply with the then most recent edition of.

- (1) The Uniform Building Code;
- (2) The Uniform Mechanical Code;
- (3) The Uniform Plumbing Code;
- (4) The Uniform Fire Code;
- (5) The National Electric Code;
- (6) The Americans With Disabilities Act;
- (7) Public health standards for food and beverage handling in accordance with United States Public Health Service requirements; and
- (8) Other applicable local building codes and standards.

(B) **Emergency Service Accessibility.** The Tribal Gaming Commission shall make provisions for adequate emergency accessibility and service.

(C) **Alcoholic and Cereal Malt Beverages.** No alcoholic or cereal malt beverages shall be served or consumed on any gaming floor, nor anywhere within the gaming facility between the hours of 2:00 a.m. and 9:00 a.m. Sale, possession and consumption of alcoholic and cereal malt beverages in the gaming facility shall be regulated pursuant to state law as provided in 18 U.S.C. 1161.

(D) **Unemployment Compensation; Workers Compensation.** All key employees, standard gaming employees and non-gaming employees shall be covered by Unemployment Compensation and Workers Compensation benefits equivalent to that provided by state law.

(E) **Consultation With Local Authorities.** The Tribe shall consult with appropriate state and county officials concerning maintenance and safety of roads, bridges and other infrastructure made necessary by implementation of this Compact.

Section 27: Contribution to Local Government.

Upon mutual consultation and agreement between the Tribe and the state and local governments, the Tribe agrees that certain related costs of the operation of the Class III gaming facility may

be paid for from the operating revenues of this facility. Such costs shall be limited to the cost of increased police patrol and necessary road improvements.

Section 28: Use of Net Revenues.

Net revenues from each Class III gaming activity or operation pursuant to this Compact shall be used only for the following purposes:

- (A) To fund tribal government operations or programs;
- (B) To provide for the general welfare of the Tribe and its members;
- (C) To promote tribal economic development;
- (D) To donate to charitable organizations;
- (E) To help fund operations of local government agencies; or
- (F) Any other purposes permitted under the IGRA.

Section 29: Tribal Authority in the Event that the State Declines to Exercise Jurisdiction.

(A) **Default Authority of Tribal Gaming Commission.** In the event that the State fails to designate a State Gaming Agency or declines to exercise any portion of the authority vested in the State Gaming Agency pursuant to this Compact, then the Tribal Gaming Commission shall exercise such authority and carry out the responsibilities set forth therein until and unless the State advises the Tribe in writing that

it has designated such a State Gaming Agency and is prepared to exercise such authority; upon such written notice, all responsibility of the State provided for in this Compact shall automatically vest exclusively in such State Gaming Agency.

(B) Default Authority of Tribal Law Enforcement Agency.

In the event that the State declines to exercise any law enforcement responsibilities vested in it pursuant to this Compact, then the Tribe, in conjunction with the federal government, shall carry out such responsibility until and unless the State advises the Tribe in writing that it agrees to exercise such responsibility; upon such written notice, all such law enforcement responsibility of the State provided for in this Compact shall automatically vest exclusively in the State.

Section 30: Notices.

Unless otherwise indicated differently, all notices, payments, requests, reports, information or demand which either party hereto may desire or may be required to give to the other, shall be in writing and shall be personally delivered or sent by telegram or first class certified or registered United States Mail, postage prepaid, return receipt requested, and sent to the other party at its address appearing below or such other address as any Party shall hereinafter inform the other party hereto by written notice given as aforesaid:

Notice to the Tribe shall be sent to:

Iowa Tribe of Kansas and Nebraska
Route 2, Box 58A
White Cloud, KS 66094; and,

Stephen D. McGiffert
McDowell, Rice & Smith, a
Professional Corporation
7101 College Blvd., Suite 200
Overland Park, KS 66210

Notice to the State shall be sent to:

Governor's Office
State Capitol Building
Topeka, Kansas 66612; and,

Attorney General
2nd Floor
Kansas Judicial Center
Topeka, Kansas 66612-1597,

Provided, that notice to the State shall be sent instead to the State Gaming Agency after the Tribe is notified to do so in writing either by the Governor or by the Attorney General. Every notice, payment, request, report, information or demand so given shall be deemed effective upon receipt, or if mailed, upon receipt or the expiration of the third day following the day of mailing, whichever occurs first, except that any notice of change of address shall be effective only upon receipt by the party to whom said notice is addressed.

Section 31: Dispute Resolution.

(A) General. Each party warrants that it will use its best efforts to negotiate an amicable resolution of any

dispute between the Tribe and the State arising from this Compact whether as to the construction or operation thereof or the respective rights and liabilities of the Tribe and the State thereunder. If the Tribe and the State are unable to negotiate an amicable resolution of a dispute within a reasonable period of time deemed to be not less than 14 days, either party may refer the matter to arbitration under this Section.

(B) Arbitration. Arbitration may be initiated by written notice pursuant to Section 30 hereof. Within seven days thereafter, each party shall notify the other party of its nominee for an arbitrator. If the Tribe and the State can agree upon the nomination of a single arbitrator for the dispute, such person shall serve as sole arbitrator of the dispute. If the Tribe and the State do not agree upon the nomination of a single arbitrator, each party's nominee shall serve as arbitrator upon a panel of three, and those two arbitrators shall nominate the third to serve with them. In the event the two arbitrators fail for any reason to name the third arbitrator within two weeks after the nomination of the last nominated one of them, either nominee shall be entitled to ask the American Arbitration Society to name the third arbitrator. The arbitrators shall commence proceedings within 30 days after their appointment, and hold proceedings

providing each party a fair opportunity to present its side of the dispute, together with any documents or other evidence relevant to resolution of the dispute. The arbitration decision shall be signed by the arbitrators and shall be made within 30 days after all evidence relevant to resolution of the dispute has been received by the arbitrators, but no later than 45 days after proceedings are commenced. The arbitration decision shall be final and binding upon the Tribe and the State unless, during or following completion of the arbitration proceedings, the Tribe and the State have met and arrived at a different settlement of the dispute.

(C) Enforcement. If enforcement of a settlement or arbitration decision becomes necessary by reason of failure of one or both parties to implement its terms voluntarily, or if one of the parties refuses to participate in arbitration as provided in this Section and the other party seeks enforcement of any provision of this Compact, the Tribe and the State agree that the matter may be resolved by judicial resolution and enforcement and that venue for judicial resolution and enforcement shall be in the United States District Court for Kansas pursuant to the specific provisions of this Section.

(D) Expenses of Dispute Resolution or Judicial Enforcement Between the Tribe and the State. The reasonable expenses of dispute resolution by arbitration or judicial

enforcement between the Tribe and the State under this Section shall be paid by the losing party unless the parties agree otherwise.

(E) Limited Waiver of Sovereign Immunity By the Tribe and Rights to Tribal Remedies. The Tribe hereby waives its sovereign immunity, its right to require exhaustion of tribal remedies, and its right to seek tribal remedies with respect to any dispute over this Compact, effective only if the Tribe fails to implement the terms of a settlement or arbitration voluntarily or refuses to participate in arbitration, and subject to the following specific limitations:

(1) Limitation of Claims. The waiver granted herein shall encompass only claims for equitable remedies, state assessments for costs of oversight provided in Section 25 and reasonable expenses of dispute resolution by arbitration or judicial enforcement provided in this Section, but shall not otherwise encompass claims which seek monetary relief, including but not limited to damages, penalties or attorneys fees.

(2) Time Period. The waiver granted herein shall commence as of the Effective Date of this Compact and shall continue until the date of its termination or

cancellation, except that the waivers shall remain effective for any proceedings then pending, and all appeals therefrom.

(3) **Recipient of Waiver.** The waiver of sovereign immunity is limited to the State.

(4) **Federal Question.** The Tribe and the State agree that judicial resolution and enforcement of any dispute between the Tribe and the State regarding this Compact or a settlement or arbitration decision with respect thereto, involves questions of federal law.

(5) **Applicable Law.** The law governing any such suit shall be limited to applicable federal law, the common law of the United States, any State law made applicable by the IGRA and tribal law as interpreted by the Tribal Courts.

(6) **Service of Process.** In any such suit, service on the Tribe shall be effective if made by certified mail, return receipt requested, to the Chairperson of the Tribe at the address set forth in Section 30.

(7) **Enforcement.** The Tribe agrees to waive its sovereign immunity from a judgment or order which is final because either the time for appeal thereof has expired or the judgment or order is issued by a court having final appellate jurisdiction over the matter. The

Tribe agrees to accept and be bound by any order or judgment of the United States District Court for Kansas or any other court having appellate jurisdiction over such Court. Further, the Tribe waives its sovereign immunity as to enforcement in any federal court of any such final judgment against the Tribe.

(F) Property and Funds Pledged and Assigned By the Tribe to Satisfy Enforcement Proceedings; Limitation Upon Enforcement.

(1) Property and Funds Pledged and Assigned.

Property and funds specifically pledged and assigned to satisfy any dispute resolution by arbitration or enforcement proceedings pursuant to this Section shall comprise only the following:

(a) All assets of any enterprise established by the Tribe to operate any Class III gaming activity or operation pursuant to this Compact;

(b) The distributable share of Net Profit of the Tribe from any such enterprise, any other Class III gaming activity or operation of the kind contemplated hereunder and any future Class III gaming activity or operation of the kind contemplated hereunder which is operated by or for the Tribe; provided that none of the above shall

include any property held in trust for the Tribe by the United States.

(2) Limitation Upon Enforcement Against the Tribe.

Any award against the Tribe shall be satisfied solely from assets specified in Subsection 31(F)(1) and shall not constitute a lien upon or be collectable from any other income or assets of the Tribe, except with the Tribe's consent. Specifically, except as provided above, no award for damages, interest, attorneys fees or costs may ever be satisfied pursuant to this partial waiver of sovereign immunity against any other assets of the Tribe, its subordinate entities or officials, including money or real and personal property of every kind or description, whether on or off tribal land, derived from any source whatever other than any Class III gaming activity or operation which is operated by or for the Tribe pursuant to this Compact.

(G) Guarantee of Tribe Not To Revoke Waiver of Sovereign Immunity. The Tribe agrees not to revoke its waiver of sovereign immunity contained in this Section. In the event of any such revocation, the State may, at its option, declare this Compact terminated for breach by the Tribe.

(H) **Credit of the Tribe.** Except as provided in this Section, this waiver of sovereign immunity shall not implicate or in any way involve the credit of the Tribe.

(I) **Waiver of Sovereign Immunity By the State.** The State hereby waives its sovereign immunity, effective only if the State fails to implement the terms of a settlement or arbitration voluntarily or refuses to participate in arbitration pursuant to this Compact, and subject to the specific limitations provided in Section 31 , Subsections E (1), (2) and (3).

Section 32: Reservation of Rights under the Indian Gaming Regulatory Act.

(A) **Tribal Right to Additional Compacts.** The Tribe and the State agree that by entering into this Compact, the Tribe shall not be deemed to have waived its right to initiate and pursue the procedures provided by the IGRA if the State should refuse to enter into another Compact with respect to other forms of Class III gaming, and neither the Tribe nor the State shall be deemed to have waived any rights, arguments or defenses applicable to such a procedure.

(B) **Status of Class II Gaming.** Nothing in this Compact shall be deemed to affect the operation by the Tribe of any Class II gaming activity or operation as defined in the IGRA, whether conducted within or without the gaming facility, or to

confer upon the State any jurisdiction over such Class II gaming activity or operation conducted by the Tribe on its respective reservations, including the use of electronic, computer, or other technologic aids used in connection with Class II gaming, as authorized by the IGRA and regulations of the Indian Gaming Commission.

(C) Taxation by the State. Nothing in this Compact shall be deemed to authorize the State to impose any tax, fee, charge or assessment upon the Tribe, any management contractor or any gaming activity or operation except for the reimbursement of expenses expressly authorized pursuant to Section 25 of this Compact, nor to diminish the State's right to tax as provided by applicable federal and state law. However, to the extent that the Tribe is required under federal law to withhold federal income tax from gaming winnings, the Tribe agrees to withhold state individual income tax from gaming winnings of non-Indians in the amounts set forth in applicable Kansas law and to furnish the State with copies of all reports of gaming winnings which the Tribe is required by federal law to furnish to the Internal Revenue Service.

(D) Preservation of Tribal Self-Government. Nothing in this Compact shall be deemed to authorize the State to regulate in any manner the government of the Tribe, including

the Tribal Gaming Commission, or to interfere in any manner with the Tribe's selection of governmental officers including members of the Tribal Gaming Commission.

Section 33: Entire Agreement.

This Compact is the entire agreement between the parties and supersedes all prior agreements whether written or oral, with respect to the subject matter hereof. Neither this Compact nor any provision herein may be changed, waived, discharged, or terminated orally, but only by an instrument in writing.

Section 34: No Assignment.

Neither the State nor the Tribe may assign any of its rights, title, or interest in this Compact, nor may either delegate any of its respective obligations and duties except as expressly provided herein. Any attempted assignment or delegation in contravention of the foregoing shall be void.

Section 35: Amendment.

The Tribe and the State, through the Governor or the Legislature by concurrent resolution, may request negotiations to amend, modify or replace this Compact. In the event either wishes to do so, such party shall notify the other of provisions which it believes require amendment. In the event of such a request, this Compact shall remain in effect until amended, modified or replaced. Such notice shall be in writing and shall be sent by certified mail to the Chairperson of the Tribe, the Director of the State Gaming

Agency or any other appropriate governmental official of either. Upon receipt of such notice, the parties shall engage in good faith efforts, to resolve the issues identified in the notice. The parties shall have 180 days to negotiate amendments and all further procedures and remedies available under the IGRA shall apply. The State and the Tribe may agree to extend the 180-day period without prejudice to the rights of either party.

Section 36: Singular and Plural.

Wherever referred to herein, terms designated by the singular shall include the plural and the plural shall include the singular.

Section 37: Date of Laws Adopted Herein.

Except as provided otherwise in Subsections 3(D) and 26(A) laws adopted herein are adopted as of the Effective Date of this Compact.

Section 38: Consistency With State Statutes.

Notwithstanding any provision of statutes of the State, and consistent with the IGRA and this Compact, no person or entity which engages in any gaming in accordance with this Compact and the IGRA shall be in violation of any state gaming statute, criminal or civil.

Section 39: Severability.

Each provision, section and subsection of this Compact shall stand separate and independent of every other provision, section or subsection. In the event that a court of competent jurisdiction

shall find any provision, section or subsection of this Compact to be invalid, the remaining provisions, sections and subsections of the Compact shall remain in full force and effect.

Section 40: Authority to Execute.

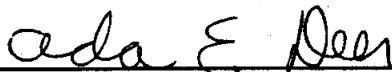
Each of the undersigned represents that he is duly authorized and has the authority to execute this Compact on behalf of the party for whom he is signing.

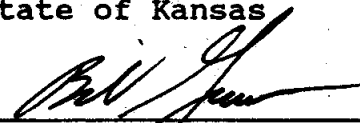
IN WITNESS WHEREOF, the parties hereto have caused this Compact to be executed as indicated below.

Iowa Tribe of Kansas and Nebraska State of Kansas


Leon Campbell, Chairman

Date: 5-3-95

BY: 
ADA E. DEER
ASSISTANT SECRETARY - INDIAN AFFAIRS


Bill Graves, Governor
Date: 5/4/95

DATE: JUN 23 1995

TECHNICAL STANDARDS FOR ELECTRONIC GAMING DEVICES (EGDs)

These Technical Standards for Electronic Gaming Devices (EGDs) shall control the operation and testing of EGDs in casinos in Kansas. These Standards are to remain in effect until the Tribes and the State Gaming Agency approve changes. Requests for alterations of these Technical Standards shall be made with specificity and submitted to the State Gaming Agency for review after the changes are reviewed by and agreed to by all four Kansas tribes. Any request for alteration must be submitted during January of even numbered years. The State Gaming Agency has 60 days in which to review the request proposal. The State Gaming Agency objections to specified changes requested by the Tribes must be stated specifically for each item proposed. The State Gaming Agency may propose changes to these Technical Standards during the same time period by submitting proposed changes to each of the four Tribes for review and approval within the same 60 days. Tribal objections to any proposed changes requested by the State Gaming Agency must be stated specifically for each item proposed.

A. DEFINITIONS

1. **Approved** – a process of acceptance of any component of the system that would have an affect on the integrity of any game and/or the system.
2. **Cash Out** – the process by which a patron elects to and does receive coin, tokens, tickets or a combination thereof in payment for game credits remaining on an electronic gaming device (EGD) and the simultaneous reduction of credits shown on the EGD to zero.
3. **Communication Connection** – means a physical hardware connection and does not include wireless or infrared communication equipment.
4. **Computerized Ticket Validation System** – a hardware and software system, physically located within the gaming facility that maintains a ticket database for validation when tickets are presented for payment or for game credits. Each component of the computerized ticket validation system shall function as indicated by the communication protocol implemented.
5. **Coupon** – a paper message purporting to entitle the holder to cash, something of value or game credits. The paper message may be from any source and may be printed by a ticket printer.
6. **Program Storage Media** – the device in which the game program resides as defined in Attachment A and whose operation is described in Attachment A.
7. **Distributor** – means a person or business entity who obtains an electronic gaming device from a manufacturer and who intends to furnish it to the Tribe.
8. **Electronic Gaming Device (EGD)** – means gaming equipment which is electric, electronic or mechanical, or a combination thereof, which plays a

July 30, 2004

game which involves an element of prize, chance and consideration, and which is linked to a central computer for purposes of security, monitoring, and auditing. The EGD shall function as indicated by the communication protocol that is implemented.

9. **Game Credit** - means the smallest unit of value that may be used to play a game on an EGD or that may be cashed out in US coin, ticket, or approved tokens.
10. **Kiosk** – means a self-service device located on the gaming floor that provides a means for payment of a ticket that has been validated and redeemed by the computer ticket validation system.
11. **Manufacturer** – means a person or business entity who manufactures, produces, or assembles an EGD or a TOTI system or any component thereof, and who intends to furnish it to a distributor or the Tribe
12. **Redemption** – means the process by which a ticket is presented by a patron for payment at a casino cage, or inserted into a kiosk or bill validator of an EGD, recognized by the computer ticket validation system as valid and the patron is paid in US currency and coin or by check the amount printed on the ticket, or, in the case of acceptance of the ticket in an EGD, game credits plus any residual in an amount equivalent to the amount printed on the ticket. The redemption process must be completed entirely prior to the award of a merchandise prize.
13. **Residual** – means the value in dollars and cents remaining after an EGD registers the maximum game credits possible following insertion and redemption of a ticket, token(s) or US currency and/or coin.
14. **Residual Ticket** – a ticket printed in an amount remaining following the insertion and redemption of a ticket or the insertion and acceptance of US currency and/or coin or approved token into an EGD.
15. **Ticket** – an approved paper token printed by a ticket printer, in an EGD with a game and containing that printer, immediately following the insertion of US currency and/or coin, approved token or valid ticket into the EGD in the case of a residual or following the patron activation of the cash out selection on the EGD. A ticket shall record the value of game credits at cashout or residual in dollars and cents in numerical form, the time of day it was printed, the date of printing showing the month, day and year, a gaming device number identifying the EGD in which the ticket is printed, a unique validation number or barcode capable of being read by a ticket reader, and an identifier unique to the gaming facility such as a logo or name. Tickets will expire 30 days from the date of issue and tickets shall so state.
16. **Ticket Reader** – an optical device in an EGD or kiosk or at the cage capable of reading tickets and sending information to the computerized ticket validation system. Bill validators may incorporate this technology.
17. **Ticket Printer** – a device in an EGD that is capable of printing an approved ticket based on instructions received from the EGD which has received data from the computerized ticket validation system.

18. **Ticket Out/Ticket In (TOTI)** – a process by an EGD has the ability to accept or dispense tickets as a means for payment and communicates with a computerized ticket validation system.
19. **Token** – means an object of a design and substance approved in writing by the Tribal Gaming Commission. The object shall represent a value shown on the object and be capable of being inserted into an EGD which causes the appropriate number of game credits to register.
20. **Valid** – means a ticket that has not been previously redeemed, has not expired, has not been voided and is not in an unredeemable state as determined by the computerized ticket validation system.
21. **Validation** - The process that is used to verify the validity of a ticket that is presented for game credits or payment. When presented for game credits or payment, the ticket information is compared to the data stored on the computerized ticket validation system, based on the unique identifying number, for validation prior to registration of game credits or payment.

B. HARDWARE REQUIREMENTS FOR ELECTRONIC GAMING DEVICES

1. **Physical Hazard** – Electronic and mechanical parts and design principles of the electronic game of chance must not subject a player to physical hazards.
2. **Surge Protector** – A surge protector must be installed on the line that feeds power to the EGD.
3. **Power Interrupt Device** - A battery backup or an equivalent shall be installed on the EGD for the electronic meters and must be capable of maintaining the accuracy of all information required by this Compact for 180 days after power is discontinued from the machine. The backup device shall be kept within the locked microprocessor compartment.
4. **On/Off Switch** – An on/off switch that controls the electric current used in the operation of an electronic game of chance and any associated equipment must be located in a place which is readily accessible within the interior of the machine.
5. **Static Discharge** – The operation of each EGD must not be adversely affected by a static discharge or other electromagnetic interference.
6. **Approved Coin and Bill Acceptors** – At least one electronic coin and/or bill acceptor (bill validator) must be installed in or on each EGD. The bill acceptors shall accept denominations determined by the Tribe, and may also accept tickets and must reject coupons. Prior to operation, all models of coin and bill acceptors installed must have been tested and approved in writing by a gaming test laboratory as provided in Section H.

C. TICKET OUT/TICKET IN (TOTI)

1. A TOTI system shall consist of a computerized ticket validation system located in the gaming facility and ticket readers and ticket printers, each of which has a bi-directional communication connection to the computerized ticket validation system. An EGD must be equipped with a ticket reader and ticket printer to be part of a ticket out/ticket in system. The TOTI system shall:
 - a. Not be permitted to instruct the ticket printer to print a ticket under circumstances which would require the completion of IRS form W2G.
 - b. Be capable of determining that a ticket is valid prior to acceptance and registering the appropriate game credits on an EGD or issuing cash or tokens.
 - c. Reject and return tickets that are not valid without registering game credits on an EGD or dispensing cash or tokens.
 - d. Generate a unique validation number, or authorize a unique validation number generated by an EGD, for each ticket issued.
 - e. Accept only tickets printed within the gaming facility by ticket printers and reject and return immediately any ticket inserted that is not affirmatively validated or any other coupon inserted without registering game credits on an EGD or dispensing cash or tokens.
 - f. On redemption of a valid ticket, the computerized ticket validation system must immediately mark the ticket's unique validation number as redeemed.
 - g. Not print a ticket without first issuing a unique validation number or issuing authorization for a generated validation number.
 - h. Print a ticket in the amount of the residual prior to permitting first play after a ticket, token(s) or cash is inserted in an EGD but after or contemporaneously with the registration of the maximum number of game credits possible, or print a ticket in the amount of the residual as a result of a patron's selection of cash out.
 - i. Maintain a communication connection with the central monitoring computer system such that tracking and auditing is done in the same manner as when a patron plays an EGD using cash.
 - j. Have all of the information required to be associated with a ticket recorded and stored by the computer ticket validation system.
 - k. Locate ticket readers and ticket printers in a locked area of the EGD or kiosk separated from the logic area and the drop box.
 - l. Provide that ticket printers have software mechanisms to interpret and act upon the following conditions:
 - i. Out of paper or paper low
 - ii. Printer jam/ failure
 - m. Allow payment of tickets only at the cage or kiosks.

July 30, 2004

2. The TOTI system shall ensure that the information being communicated is accurate using industry appropriate security and verification methods.
3. If validation is not possible through the computerized ticket validation system, human intervention using the issuing EGDs ticket history to validate the ticket is required.
4. The TOTI system shall maintain a history log of the last 35 tickets printed on each EGD.
5. The computerized ticket validation system can be a separate computer from or a part of the Central Monitoring Computer System.
6. Kiosks may or may not be used with TOTI. Kiosks shall have local light or sound alarms that indicate malfunctioning ticket readers/bill validators or bill or coin dispensers and/or loss of communication with the computerized ticket validation system. A trouble alert signal must also be sent to Surveillance in the event of malfunctions or security events. The redemption function of the kiosk shall be disabled during any time communication is lost between the kiosk and the computerized ticket validation system.
7. Prior to redemption, the EGD shall reject and return tickets inserted during any time in which the EGD is not communicating with the computerized ticket validation system.

D. CENTRAL MONITORING COMPUTER SYSTEM.

1. EGDs shall be monitored by an on-line electronic game management/reporting system (Central Monitoring Computer System) which has been approved by the independent gaming test laboratory. Each EGD must be linked by a communication connection to a central computer system (Central Monitoring Computer System) accessible to the Tribal Gaming Commission personnel and the State Gaming Agency personnel for information and control programs related to security, monitoring and auditing. The central monitoring computer system shall function as indicated by the communication protocol that is implemented. The central computer system (Central Monitoring Computer System) shall compile and record, among other things, the following information in a form accessible for reports in aggregate as well as for each individual EGD:
 - a. Total Drop - Amount deposited in the coin drop area and bill acceptor stack area as well as the amounts of tickets accepted, if applicable;
 - b. amounts won
 - c. amounts wagered
 - d. Value of the game credits hand paid in dollars and cents by the attendant
 - e. Value of tickets printed including those for residuals

July 30, 2004

- f. Value of machine fills from the cage
- g. Amount of net revenue to the machine
- h. The online system (Central Monitoring Computer System) shall accurately indicate the time of day and the date of all security events and other accounting messages/events
- i. Machine serial number as affixed by the manufacturer
- j. Terminal number as designated by the gaming operation
- k. The program name and version, which may be input manually
- l. Number of times the coin/cash/ticket compartments have been opened, including the date and time
- m. Number of times the cabinet has been opened, including date and time.
- n. EGDs utilizing coin drop hoppers must detect and the central monitoring computer system must record:
 - i. Hopper empty or low
 - ii. Hopper jam
 - iii. Hopper runaway/malfunction

E. CABINET SECURITY FOR EGDS AND KIOSKS

1. **Surveillance Notification** The surveillance department shall be notified prior to opening the cash or ticket compartments of EGDs or redemption kiosks.
2. **Locks** The cabinet or interior area of the EGD or redemption kiosk shall be locked and not readily accessible.
3. **Repairs and Service** An authorized agent or employee of the Tribe may open the gaming cabinet to effect repairs and service.
4. **Secure Electronic Components**
 - a. Logic Boards and program storage media and other logic control components shall be located in a separate compartment within the EGD and that compartment shall be locked and sealed with serialized security tape and with a different key or combination than that used for the main cabinet door and cash compartment. The Tribal Gaming Commission shall control this key. The compartment may only be opened in the presence of a Tribal Gaming Commissioner or Inspector.
 - b. After software verification and upon installation of program storage media in the appropriate component in an EGD, a Tribal Gaming Commissioner or Inspector shall affix or cause to be affixed to said appropriate component of each EGD a strip of serialized security tape, capable of evidencing the removal of the program storage media if the program storage media is removed from the original location in the EGD. The security tape shall be secured and available only to the Tribal Gaming Commissioners

July 30, 2004

and Inspectors. The Tribal Gaming Commission shall maintain accurate and complete records of the identification number of each program storage media installed in each EGD.

- c. Serialized security tape shall be identifiable to the Tribal Gaming Commission and available only to Tribal Gaming Commissioners or Inspectors.
5. **Machine Records** The Tribal Gaming Commission shall maintain an accurate and complete record of each EGD including the identification number of the EGD and the identification number of each piece of program storage media when installed to the logic board witnessed by Tribal Gaming Commissioners or Inspectors.
6. **MEAL Cards** For all entries into the EGDs and redemption kiosks as set forth in paragraphs 3, 4, and 7, a written record must be made on a machine entry authorization log (MEAL) card indicating the time, date and purpose for entering said machine and identifying the person entering the machine using a legible approved signature.
7. **Secure Cash Compartment** The coins and currency compartment as well as the compartment in which tickets are collected shall be locked separately from the main cabinet area, and secured with a different key or combination than that used for the main cabinet door, except that a separate cash compartment shall not be required for coins or tokens necessary to pay prizes in a machine which pays prizes through a drop hopper as permitted in this section. Keys to gain access to drop the acceptor compartment must be different from those to gain access to the contents of the acceptor compartment. Coin drop, bill acceptor and ticket compartment keys must be kept in a secure location. Except as provided in this section, the compartment in which the inserted coins, tokens, bills, and tickets are deposited shall be locked at all times. The Tribal Gaming Commissioner or Inspector must be present when the coin drop, bill acceptor, and ticket compartments in the gaming cabinet are opened for the purpose of collecting the accumulated cash and tickets.
8. **Configuration Setting** It shall not be possible to change a configuration setting that causes an obstruction to the electronic accounting meters without a RAM clear. Clearing non-volatile memory shall only be able to be undertaken by accessing the locked logic area. Any change to the denomination must be done by a secure means, which includes access to the locked logic area. A Tribal Gaming Commissioner or Inspector shall monitor denomination changes.
9. **Machine Identification** A non-removable plate shall be affixed to each EGD and redemption kiosk. This plate shall have at a minimum inscribed upon it the machine's serial number, model number, and the name of the manufacturer. All EGDs and redemption kiosks shall also have a permanently affixed label with a location/asset number prominently displayed unique to the gaming location. The Tribal

July 30, 2004

Gaming Commission may require affixing other certificate plates, tags or decals.

F. NETWORK

1. **Operation as Part of a Network** the hardware requirements of the Technical Standards shall not be construed to prevent the operation of the EGD as part of a network with an aggregate prize or prizes, provided:
 - a. An EGD capable of bi-directional communication with internal or external associated equipment must utilize communication protocol which insures that erroneous data or signals will not adversely affect the operation of the game. The operation of the local network must be approved by the independent gaming test laboratory, and
 - b. Where the network links the Tribe's EGDs to tribal games of chance on other Indian reservations within the State of Kansas or outside the State of Kansas, each Tribe participating in the network shall have in force a Class III gaming compact in the state in which participating EGDs are located authorizing such gaming as part of a network. All gaming activities shall occur on authorized gaming floors at said reservations.
 - c. The Tribal Gaming Commission shall approve participants in the network in writing prior to new participants operating as part of a networked group of EGDs.

G. SOFTWARE REQUIREMENTS FOR ELECTRONIC GAMING DEVICES

1. **Randomness Testing** Each EGD must have a microprocessor based random number generator that will determine the occurrence of the specific card, symbol, number, or stop position to be displayed. A selection process will be considered random if it meets all the following requirements:
 - a. **Chi-square Analysis** Each card, symbol, number or stop position which is wholly or partially determinative of the outcome of the game satisfies the 99 percent confidence limit using the standard chi-square analysis.
 - b. **Runs Test.** Each card, symbol, number or stop position does not as a significant statistic produce predictable patterns of game elements or occurrences. Each card, symbol, number or

stop position will be considered random if it meets the 99 percent confidence level with regard to the “runs test” or any generally accepted pattern testing statistic.

- c. **Correlation Analysis** each card, symbol, number or stop position is independently chosen without regard to any other card, symbol, number or stop position, drawn within that game play. Each card, symbol, number or stop position is considered random if it meets the 99 percent confidence level using standard correlation analysis.
 - d. **Serial Correlation Analysis** each card, symbol, number or stop position is independently chosen without reference to the same card, symbol, number or stop position, in the previous game. Each card, symbol, number or stop position is considered random if it meets the 99 percent confidence level using standard serial correlation analysis.
 - e. **Live Game Correlation** EGDs that are representative of live gambling games must fairly and accurately depict the play of the live game.
2. **Software Requirements for Percentage Payout.** Each EGD must meet the following minimum theoretical percentage payout during the expected lifetime of the game:
- a. EGDs shall pay out a minimum of 80 percent of the amount wagered. The theoretical payout percentage will be determined using standard methods of probability theory.
 - b. **Merchandise Prizes** The cash value of a ticket redeemed to claim a merchandise prize shall be included in computing the minimum theoretical percentage payout and in computing theoretical and actual hold percentage. No merchandise prize may be awarded without first offering the patron, the cash value of the ticket redeemed, or the value of the jackpot in cash and receiving a written declination of the offer.
 - c. Each EGD must have a probability of obtaining the maximum payout, of the highest advertised award, which is greater than 1 in 50,000,000 for each play.
 - d. EGDs and kiosks must not be operated in any mode which would violate any provisions of these Technical Standards.
3. **Software Requirements for continuation after game malfunction.** Each game must be capable of continuing the current game with all current game features after a game malfunction is cleared. This provision does not apply if the game is rendered totally inoperable; however, the current game credits wagered and all player remaining game credits active prior to the malfunction must be returned to the player.
4. **Metering** an EGD must have electronic meters. The EGD accounting meters shall be at least eight digits in length. If the meter is being used in dollars and cents, at least eight digits must be used for the dollar

amount. The meter must roll over to zero upon the next occurrence, any time the meter is eight digits or higher and after 99,999,999 has been reached or any other value that is logical. The EGD control program must provide the means for on-demand display of the electronic meters via a key switch on the exterior of the machine. This key shall be kept in the office of the electronic gaming equipment manager and shall be accessible only to that manager.

The required electronic meters are as follows:

- a. Amounts Wagered The total wagered expressed in US dollars and cents.
 - b. Amounts Won – total won expressed in US dollars and cents.
 - c. Total Dropped the total of all coins and tokens diverted to the drop plus all bills and tickets inserted into and accepted by the bill validator.
 - d. Jackpot Meter - The total amount paid out by an attendant from redeemed awards, cash or cash value of merchandise from a single event.
 - e. Canceled Credit Meter - - Cumulative amounts paid by an attendant following the removal of registered game credits on an EGD exclusive of amounts required to be recorded by the Jackpot Meter in these standards.
 - f. Bills In (total monetary value of all bills accepted)
 - g. Items In (total value of all items accepted to include currency, coin, tokens, tickets)
 - h. Individual Bill Meters (total number of each bill accepted per denomination)
 - i. The number of games played.
 - j. The number of times the front cabinet door was opened.
 - k. The number of times the drop door was opened, including the mechanism which holds the currency and/or tickets within the machine.
5. **No Automatic Clearing of Accounting Meters** No game may have a mechanism by which an error will cause the electronic accounting meters to automatically clear. All meter readings must be recorded and dated in the presence of a Tribal Gaming Commissioner or Inspector both before and after the electronic accounting meter is cleared.
6. **Display of Information** The required game display information shall be kept under glass, another transparent substance or generated video medium and at no time may stickers or other removable devices be placed in any manner anywhere on the machine's face.
7. **Rules Display.** Each EGD shall have the following information displayed on the video screen and/or permanently affixed on the game itself in a location conspicuous to the player:
 - a. The rules of the game prior to each game being played;

- b. The maximum and minimum wagers, amount of game credits which may be won for each winning hand or combination of numbers or symbols and;
 - c. The game credits the player has accumulated for additional play or redemption.
- 8. **Last Play Recall** – Last play information shall provide all information required to fully reconstruct the last five plays and shall reflect bonus rounds in their entirety. Each EGD shall record the denominations of the last five bills accepted.
 - 9. **Software Verification.** The device shall have the ability to allow for an independent integrity check of the device's software from an outside source. This must be accomplished by being authenticated by a third-party device, which may be embedded within the game software (see NOTE) or having an interface port for a third-party device to authenticate the media. This integrity check will provide a means for field testing the software to identify and validate the program. The test laboratory, prior to device approval, shall approve the integrity check method.

NOTE: If the authentication program is contained within the game software, the manufacturer must receive written approval from the test laboratory prior to submission.

H. TESTING OF ELECTRONIC GAMING DEVICES

- 1. **Testing and Approval of Electronic Gaming Devices** No EGDs shall be purchased, leased or otherwise acquired by the gaming operation unless:
 - a. The EGD, or a prototype thereof, has been tested, approved, or certified by a gaming test laboratory as meeting the requirements and standards as set forth herein and of the Compact. For purposes of these standards and the Compact, a gaming test laboratory is a laboratory agreed to and designated in writing by the Tribe and State Gaming Agency as competent and qualified to conduct scientific tests and evaluations of EGDs and related equipment. A laboratory operated by or under contract with the states of New Jersey, South Dakota or Colorado constitutes a designated gaming test laboratory.
- 2. **Testing of EGDs.** If required by the gaming test laboratory, the Tribe shall require the manufacturer or distributor to transport not more than two working models of the EGDs and related equipment to a location designated by the laboratory for testing, examination, and analysis. In addition, the manufacturer or distributor shall supply copies of EGD illustrations, schematics, block diagrams, circuit analyses, technical and operation manuals, program object and source codes,

July 30, 2004

hexadecimal dumps (the compiled computer program represented in base-16 format), and any other information requested by the gaming laboratory. The gaming operation shall require the manufacturer or distributor to pay for any and all costs for the transportation, testing, examination, and analysis. The testing, examination, and analysis may include the entire dismantling of the EGD and related equipment and some tests may result in damage or destruction to one or more electronic components of the devices. If required by the laboratory, the gaming operation must require the manufacturer to provide specialized equipment or the services of an independent technical expert to assist the testing, examination and analysis.

3. **Report of Test Results** At the conclusion of each test, the laboratory shall provide to the Tribe and the State Gaming Agency, a report that contains findings, conclusions, and a determination that the EGD and related equipment conforms or fails to conform to the hardware and software requirements of these standards and standards of the Compact. If modifications can be made which would bring the EGD or related equipment into compliance, the report may contain recommendations for such modifications. A report from the laboratory stating that the machine is an eligible electronic gaming device under the terms of the Compact and that it meets the technical standards defined herein shall constitute authority for the machine to be shipped to the gaming operation's Class III gaming facility.
4. **Modifications of Approved Electronic Gaming Devices.** No modification to the assembly or operational functions of any EGD or related equipment may be made after testing and installation unless a gaming test laboratory certifies to the Tribal Gaming Commission and the State Gaming Agency that the modified EGD conforms to the standards of the Compact and these standards. Any proposed modifications shall be subject to the requirements of the paragraphs above, before the modification may be implemented.

I. CONFORMITY TO TECHNICAL STANDARDS

The Tribal Gaming Commission shall require the manufacturer or distributor to certify, in writing, that, upon installation, each EGD:

- a. Conforms precisely to the exact specifications of the EGD or prototypes tested and approved by the gaming test laboratory.
- b. Operates and plays in accordance with the technical standards set forth in these provisions.

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ATTACHMENT A**ATTACHMENT A****Program Storage Media****1. Program Storage Device Requirements**

Requirements for Program Storage Devices All Program Storage Devices, including EPROMs, DVD, CD-ROM, Compact Flash and any other type of Program Storage Devices shall:

- a. Be clearly marked with sufficient information to identify the software and revision level of the information stored in the devices and shall only be accessible with access to the locked logic department.
- b. Perform an integrity check (authentication) of the Critical Files or Program Code that operate the Player Terminal during:
 - i. Any power-up; and
 - ii. The first time the files or program code is loaded for use (even if only partially loaded).

NOTE: RAM and PSD space that is not critical to machine security (e.g., video or sound ROM) are not required to be validated, although GLI recommends a method be in place for the files to be tested for corruption. If any of the video or sound files contain payout amounts or other information needed by the player, the files or program storage must have a secure method of verification, see also software verification.

- c. The program residing in the Player Terminal shall be contained in a storage medium that cannot be altered through use of the circuitry or programming of the Player Terminal itself.
- d. Is housed within a locked logic compartment; and
- e. Meets the Software Verification requirements of Attachment "B"

Write Once (Non-Writeable) Program Storage: For Program Storage Devices that is written to once (i.e. EPROM, CD), the following rules shall be met:

- a. CD-ROM specific based Program Storage shall:
 - i. Not be a re-writeable disk; and
 - ii. The "Session" shall be closed to prevent any further writing.

July 30, 2004

- b. Non-EPROM specific (including CD-ROM) Program Storage shall meet the following rules;
 - i. The Control Program shall authenticate all (Critical Files by employing a hashing algorithm which produces a "Message Digest" output of at least 128 bits at a minimum as certified by the test laboratory and agreed upon by the jurisdiction. The Message Digest(s) shall be stored on a memory device (ROM based or other medium) within the Player Terminal. Message Digests which reside on any other medium shall be encrypted, using a public/private key algorithm with a minimum of a 512-bit key. However, a 768-bit key is recommended, or an equivalent encryption algorithm with a similar security certified by the test laboratory and agreed upon by the jurisdiction.
 - ii. The Player Terminal shall authenticate all Critical Files against the Stored Message Digest(s), as required in (i) above. In the event of a failed authentication, after the condition with the appropriate tower light signal and record the details including the clear. The game shall display specific error information and shall not clear until the file authenticates properly, following the operation intervention or the medium is replaced or corrected, and the device's memory is cleared, the game restarted and, all files authenticate correctly.

NOTE: *the values in (i) and (ii) above, above will constantly be re-evaluated based on technology advancements and new security methods available.*

Writeable Program Storage. The program residing in the Player Terminal that is capable of being erased and reprogrammed without being removed from the Player Terminal, bill changer or other equipment related device shall meet the below requirements.

- a. Re-programmable Program Storage shall only write to alterable storage media containing data files, and programs that are not critical to the basic operation of the game, such as marketing information. Notwithstanding the foregoing, such device may write to media containing critical data files, and programs provided the gaming equipment:
 - i. logs all information that is added, deleted or modified be stored on the media,
 - ii. verifies the validity of all data, files, and programs which reside on the media,
 - iii. contains appropriate security to prevent unauthorized modifications; and
 - iv. does not allow game play while the media containing the critical data, files, and programs are in a modifiable state.

July 30, 2004

NOTE: *If the program storage does not comply with any of the above requirements and is a Hard Disk, the media is permissible provided a write-protected drive is used. SCSI Devices are preferred as they provide a write protect jumper which can be sealed in place by the regulating body. Any other type of drive will have the write line cut and verified in the field and any other means of write protection will be examined on a case-by-case basis.*

2. Critical RAM Requirements

Comprehensive Memory Checks: Comprehensive checks of Critical Memory shall be made during each Player Terminal restart (e.g. power-up cycle). The Player Terminal Control Programs shall test for possible corruption of Critical Memory. Test methodology shall detect 99.99 percent of all possible failures.

Unrecoverable Critical Memory: An uncorrectable corruption of RAM shall result in a RAM error. The RAM should not be cleared automatically, but shall require a full RAM clear (RAM Reset) performed by an authorized person.

Function of RAM Reset: Following the initiation of a RAM reset procedure (utilizing a certified RAM clear method), each bit in RAM must be set to the default state. For games that allow for partial RAM clears, the methodology in doing so must be accurate and the game must validate the un-cleared portions of RAM.

ATTACHMENT B

Software Verification

Software Verification: The device shall have the ability to allow for an independent integrity check of the device's software from an outside source. This must be accomplished by being authenticated by a third-party device which may be embedded within the game software or having an interface port for third party devices to authenticate the media. This integrity check will provide a means for field-testing the software to identify and validate the program. The test laboratory, prior to device approval, shall approve the integrity check method.

NOTE: If the authentication program is contained within the game software, the manufacturer must receive written approval from the test laboratory prior to submission.

NOTE: See GLI Standards for definitions of terms found in Attachments A and B.